

# SENATE BILL 477

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CF 2lr2497

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By: **Senators Klausmeier, Kittleman, Astle, Colburn, DeGrange, Forehand,  
Kasemeyer, Middleton, Robey, Rosapepe, and Stone**

Introduced and read first time: February 2, 2012

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Job Creation Tax Credit – Amount of Credit and Termination Provisions**

3 FOR the purpose of altering the determination of the amount of a certain job creation  
4 tax credit earned by a qualified business entity under certain circumstances;  
5 altering the termination provisions for the tax credit; providing for the  
6 application of this Act; and generally relating to the job creation tax credit  
7 program.

8 BY repealing and reenacting, without amendments,  
9 Article – Economic Development  
10 Section 6–301(e)  
11 Annotated Code of Maryland  
12 (2008 Volume and 2011 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Economic Development  
15 Section 6–304(b) and 6–309  
16 Annotated Code of Maryland  
17 (2008 Volume and 2011 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Economic Development**

21 6–301.

22 (e) “Revitalization area” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) an enterprise zone designated by the Secretary under § 5–704 of  
2 this article;

3 (2) an enterprise zone designated by the United States government  
4 under 42 U.S.C. §§ 11501 through 11505;

5 (3) an empowerment zone or enterprise community designated by the  
6 United States government under 26 U.S.C. §§ 1391 through 1397F; or

7 (4) a sustainable community, as defined in § 6–301 of the Housing and  
8 Community Development Article.

9 6–304.

10 (b) (1) Except as provided in this section, the credit earned under this  
11 section:

12 (i) for qualified employees working in a facility not located in a  
13 revitalization area, is the lesser of:

14 1. ~~[\$1,000]~~ **\$5,000** multiplied by the number of qualified  
15 employees employed by the qualified business entity during the credit year; and

16 2. ~~[2.5%]~~ **12.5%** of the wages paid by the qualified  
17 business entity during the credit year to the qualified employees; and

18 (ii) for qualified employees working in a facility located in a  
19 revitalization area, is the lesser of:

20 1. ~~[\$1,500]~~ **\$7,500** multiplied by the number of qualified  
21 employees employed by the qualified business entity during the credit year; and

22 2. ~~[5%]~~ **25%** of the wages paid by the qualified business  
23 entity during the credit year to the qualified employees.

24 (2) The credit earned by a qualified business entity under this subtitle  
25 may not exceed \$1,000,000 for any credit year.

26 6–309.

27 (a) (1) Subject to paragraph (2) of this subsection, this subtitle and the  
28 tax credit authorized under it shall terminate on January 1, ~~[2014]~~ **2020**.

29 (2) As provided in this subtitle, for taxable years beginning on or after  
30 January 1, ~~[2014]~~ **2020**, tax credits earned in credit years beginning before January 1,

1 [2014] **2020**, may be allowed ratably over a 2-year period, may be carried forward,  
2 and are subject to recapture in accordance with § 6-305 of this subtitle.

3 (b) The tax credit authorized under this subtitle:

4 (1) may be claimed only for qualified positions at a newly established  
5 or expanded business facility that commences operations before January 1, [2013]  
6 **2019**; and

7 (2) may not be earned for a credit year beginning on or after January  
8 1, [2014] **2020**.

9 SECTION 2. AND BE IT FURTHER ENACTED, That § 6-304(b) of the  
10 Economic Development Article, as amended by this Act, shall be applicable to the job  
11 creation tax credit earned by a person certified as a qualified business entity on or  
12 after July 1, 2012.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 2012.